

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2003-87-C - ORDER NO. 2003-334✓ ~~110~~

MAY 19, 2003

IN RE: Application of Sandhill Telephone)	ORDER APPROVING
Cooperative, Inc. for Approval of a Change in)	INCREASE IN
Depreciation Rates from 10% to 20% for)	DEPRECIATION RATE
General Purpose Computers)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Sandhill Telephone Cooperative, Inc. (Sandhill or the Company) for approval of a change from 10% to 20% in the depreciation rate for General Purpose Computers.

Pursuant to the instructions of the Commission's Executive Director, the Company published a Notice of Filing one time in a newspaper of general circulation in the Company's service area. The Company furnished affidavits of publication therefor. No Protests or Petitions to Intervene were filed. We will therefore dispose of this matter without a hearing.

By its request, Sandhill states that the Company's depreciation rate is currently 10% for General Purpose Computers and that the Company would like to change the rate to 20%. Sandhill asserts that a 20% depreciation rate will more closely approximate the life of future computer and computer equipment acquisitions.

As reasoning for its request, Sandhill asserts that in the last ten years the Company has retired two A/S400 computers before the depreciation life of the computers

was up, which gives the Company a debit balance in depreciation for computers. Sandhill adds that the last one of these computers had a life of only six years and the Company has also had to retire other computer equipment before their ten year life expired.

The projected annual increase in depreciation expenses, according to Sandhill, will be approximately \$18,579.12. Sandhill states further that the impact to the Company's overall rate of return will be minimal, being less than 0.2%. Lastly, Sandhill states that the requested change in the depreciation rate will not lead to a rate increase in the Company's basic service rates.

We approve Sandhill's request for an increase in the annual depreciation rate for General Purpose Computers from a rate of 10% to a rate of 20%. We do not believe that Sandhill will overearn pursuant to this change. We would also note that this change will not necessitate an increase in Sandhill's basic local service rates.

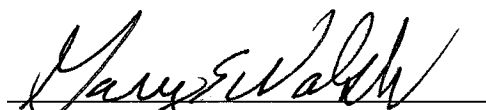
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Mignon L. Clyburn, Chairman

ATTEST:



Gary E. Walsh, Executive Director

(SEAL)